

A business idea for a long-distance bus company in Vietnam

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Abstract

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The purpose of this thesis project was to transform an innovative idea into a practical business plan, and thereafter design the model and framework of a transportation company providing upgraded services for long-distance trip in the Vietnamese market, concentrating mostly on the routes from the central area towards the southern part of Vietnam. The study presents the implementation plan and marketing strategy, and examines the market demand and potential of the business idea.

The thesis report is divided into several parts. The first part will introduce and synthesize theoretical knowledge concerning the formulation of a business plan, the process of conducting market research and background information about the Canvas business model, which is recently developed, innovative business plan. In the following part, the implementation plan is presented with an outline of business objectives and a detailed description of the services provided. Subsequently, market data and consumer research information obtained through a quantitative research method are presented and analysed with the purposed of attaining an insight into the market potential and customer demand. Lastly, based on the results of the market and customer research, a marketing strategy is built to approach the market, provide customers with high satisfaction and reach the business goals.

For the purpose of market and consumer research, a survey with 13 questions was conducted. The aim of the survey was to measure the extent to which consumers were satisfied with existing service providers, and to inquire about the customer's desired features for services and delve into the customer's buying behaviour.

Key words Canvas business model, from idea to business plan, transportation service, long-distance bus company, business management, market research, Vietnam

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1 Introduction

1.1 Purpose of the thesis and research problem

Traveling by long-distance bus, known as “xe khách” in Vietnamese, is one of the most familiar transport services in Vietnam. This kind of bus service is used to deliver people from place to place, with a specific routine. The timing for each routine depends on how far the distance is; therefore, the services served in each trip are different. For the trips last from two/three hours, the operator will let the customer go resting once in the middle of the trip at co-operating canteen; for those last from six to twelve hours, customers will be rested twice or three times in co-operating restaurants during the trips. Such kind of long-time traveling usually means a weary and boring journey to customer, therefore good customer services and thoughtful caring that help customers more comfortable and entertained are highly in need in Vietnam’s existing market.

The thesis topic starts from personal interest towards this long-distance transportation service, as well as the observation of the need of regular long-distance bus service in Ho Chi Minh City, particularly during popular occasion or vacation, for example Luna New Year holiday. In addition, the demand for a better quality of customer service and an easier access to bus ticket is significant among consumer market. The aim of this thesis is to formulate an innovative business idea to resolve those problems, design a detailed business model and marketing plan to transform such idea into a practical business plan, and thus achieve in-depth overview to implement the project in reality.

1.2 Research approach

This thesis has been written as a formulation of a business model and plan while the authors themselves were dissatisfied customers who thereafter realized the potential demands for the new service provider in the existing market. This is the main reason while the thesis includes customer-driven business model and focuses closely on customer’s perspective of the current service quality as well as customer’s hidden needs and demands. Therefore the authors invested much time and effort to conduct customer satisfaction survey with respondents from the main target groups of customers using a detailed questionnaire to examine which kinds of values and quality truly appreciated by customers.

The research was largely undertaken by delving through business planning’s literature, online resources and online survey tools. Additionally the survey questionnaire was distributed via online social network such as Facebook and LinkedIn, and emails to collect sufficient information for the empirical study.

1.3 Theoretical approach

The theoretical approach is based on synthesizing knowledge from literatures of business plan, market research and the mechanism of Canvas business model. The purpose of theoretical approach is to delve how business plan is constructed, how market research conducted and research findings are processed to analyzed and utilized, as well as to understand the concept, application and implementation of the Canvas business model.

The theoretical section consists of three main parts including business plan, market research and Canvas business model. The first part describes the typical structure of a business plan based on two different theories and highlights noteworthy details in the process of establishing a business plan, such as target audiences and main purpose. The second part defines the concept of market research, discusses the uses and roles of market research in nowadays' market, and go through the market research process. The last part presents the new concept of Canvas business model, explains how innovative and effective it is in the whole market in general and in start-up entrepreneurship in particular, and recommends several ways to implement the Canvas framework and to benefit from it using realistic examples of business cases.

1.4 Scope and limitations

The scope of the thesis refers to the early stage of start-up entrepreneurship where a business idea is devised and thereupon a business plan is formulated and developed. The market and consumer research included in the thesis was conducted to determine the situation of the existing market of long-distance transportation service offering in Vietnam and to measure the extent of value and quality to which customers perceive as important and/or desirable in the process of service delivering.

During the study and research process, there are certain limitations, which have been detected. However every study, even the one which is very well conducted and constructed, has limitations (Simon & Goes 2013). Therefore recognizing the arisen limitations with respect to research findings is the best way to not only control any negative effect caused by those limitations but also facilitates subsequent studies that may transcend such limitations.

One of the major limitations of this study is that the research survey has access to only a certain number of people defined as representatives for company X's target customer groups. Nonetheless that number of respondents is so limited that it could be criticized for its capability of representing for the whole groups of research objects. In a word, respondents may not provide sufficiently diverse answers to help assess the research problem under every an-

gles of perspective, for example the opinion of an operating service provider or customer service staff is missing. In addition, the survey may suffer the limitation of directing respondents towards particular response classifications, thus narrowing the range of responses, for instance, the answer choices were mostly articulated that fall under a certain number of categories. Therefore, respondents are probably limited to the wordings in the survey that may lead to a less varying extent of perspectives.

1.5 Framework of the thesis

The thesis consists of seven sections. The initial section makes a general introduction that claims the purpose of the thesis and the research problem, presents the applying approaches, clarifies scope and limitations of the thesis and describes the thesis's framework.

The next section of theoretical backgrounds refers to the academic knowledge of business plan, market research and Canvas business model. In this initial section of theoretical research and synthesis, the theory of building a business plan, conducting market research and designing a Canvas business model will be studied along with the academic definition and utilization of those concepts. Subsequently, an implementation plan of the company X will be outlined and presented in terms of the company's vision and objectives, the description of the service offered, market and consumer market research specialized in this case.

Following that section is the marketing strategy being discussed by examining the macro environment in Vietnam, performing a SWOT analysis of the company X and developing the company X's own business model of Canvas type. A detailed revision of consumer market survey's limitations, summary of the entire research process and some suggestions resembled from customer's own thoughts lead to the end of the thesis paper.

2 Theoretical backgrounds

2.1 Business plan

The theory of business plan is based on the explaining of Brian Finch's and Edward Blackwell's theories. A business plan is an overall picture in which the creator shows how a business idea will be processed and applied in real life. According to Brian Finch, it is crucial to clearly identify who will be the audiences and how the creator wants them react to his/her plan. There are six primarily pivotal states that could be used to distinguish particular groups of viewers (Finch 2010, 2):

- The audiences want to fund for your business?
- The audiences want to purchase your business?

- The audiences want to co-operate?
- The audiences want to sign contract?
- The audiences approve a grant?
- The audiences want to help developing your business?

Each targeted groups of audiences has different kinds of reaction regards to the business plan. When the creator makes clear the specific readers, then the goals of the business plan is identified. For instance, if the purpose of the plan is to find co-operator, the author has to show the results of the business over the time and the benefit which the partner will get when collaborating. Nevertheless, if the author's purpose is aim for the investment, it is imperative to give the readers good view of the returns of the business with lowest risk prediction (Finch 2010, 2).

Additionally, the writer has to arrange the plan into distinct sections, in order to present it in a clear and convincing way. Based on Brian Finch's theory, there are several fundamental parts that should be included in the business plan (Finch 2010, 19).

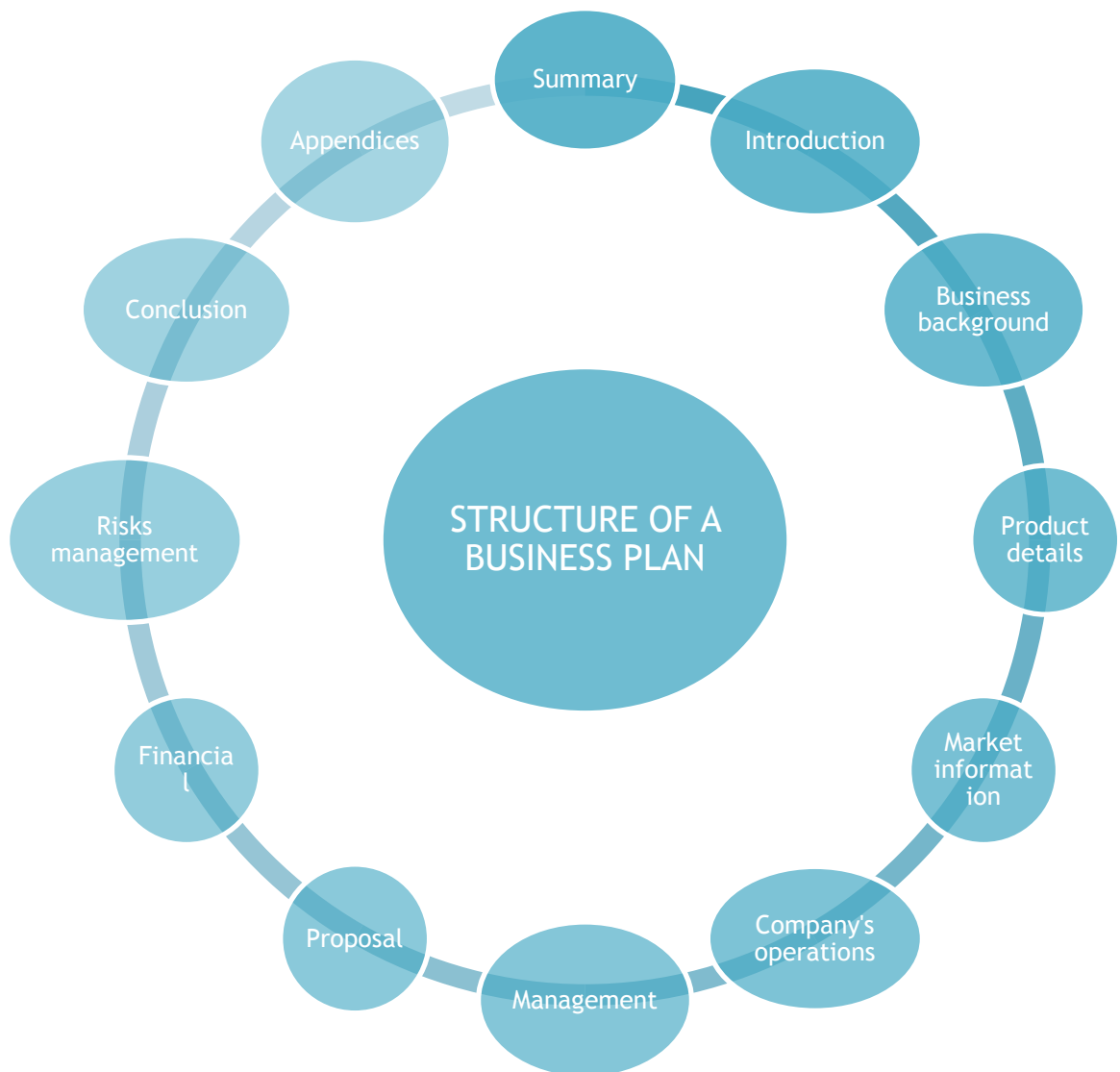


Figure 1. Structure of Business Plan based on Brian Finch

However, depending on the field of the business and how it is planned to go in the future, there could be more or less parts listed above. Along with the support of the Internet, information can be collected through diversity of sources and be analysed as useful data; thus, the author can be able to utilize for the execution plan.

While Brian Finch's theory focuses on differentiating the target viewer to outline the structure and content for the business plan, Edward Blackwell's show the general framework in which the presented information has to direct the reader in a logical pattern (Blackwell 2008, 5). However, in order to apply Blackwell's model and effectively put readers on the same logical track with the writer's, it is also essential to identify the target reader in terms of, for example, reader's knowledge background and purpose of readings.

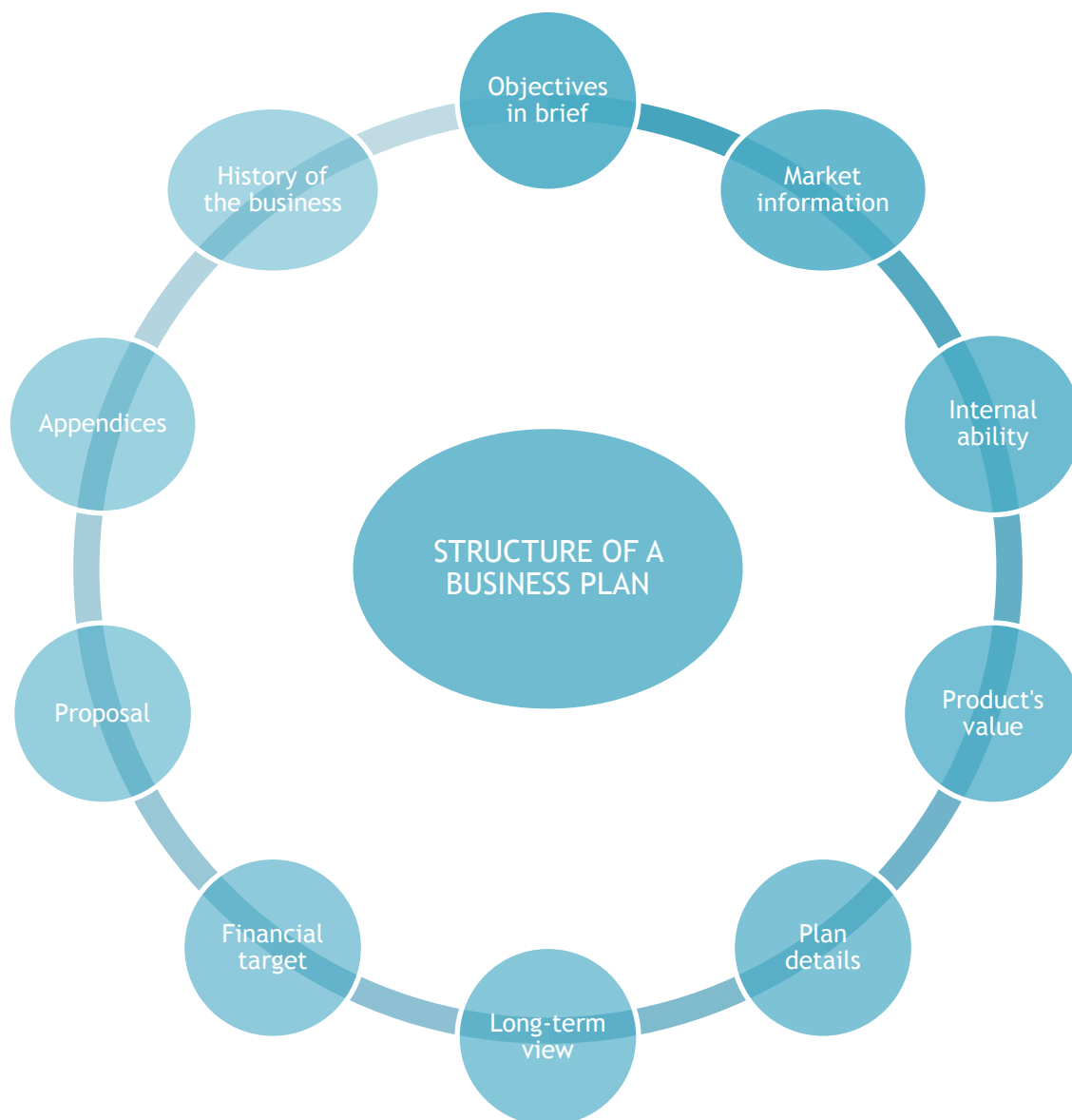


Figure 2. Structure of Business Plan based on Edward Blackwell

Through the above two figures, the two different structures of business plan based on Finch and Blackwell could be easily compared and contrasted. While they share a significant number of fundamental stages in common including background of the business, market information, financial goals and proposal; there are considerably distinct traits between the two models. One of them is that Finch's structure involves the Product Details while Blackwell's includes the Product's Value. This distinction is fairly sophisticated since many may assume both are utilized to mention and explain about the product/services being offered. Nonetheless, Blackwell's Product Value is significantly more adaptive to modern marketing mind-set than Finch's Product Details, which requires providers to explain all the attached benefits a product brings along with its features and technical details with the purpose of emphasize on the value it can deliver to consumer. The reason behinds this mind-set is based on the well-

known fact that consumers want to buy the product's value and benefit, not its features and details.

Conversely, many may think that another difference is that Finch needs up to two stages of Company's Operations and Management while Blackwell combines them into Internal Ability. However both authors mean to explore company's capabilities and limitations; and though their ingredients have different names, that specific part of their structure still share a common purpose and function. Last but not least, Finch's model has the Risk Management that Blackwell's does not and, contrariwise, the Long-term view part involved in Blackwell's structure does not appear in that of Finch. This could be assume that Finch's model is more suitable for business start-up in relatively volatile and risky business environment which requires flexible contingency plan and efficient risk handling tools whereas Blackwell's model is a better fit for environment that requires long-term vision for sustainability and perpetual development in relatively stable business environment.

In conclusion, a well-established business plan is the ground stone for the future success of the business, thus sufficient amount of time and efforts should be invested in building one. Before getting started, the entrepreneur should have a clear vision and goal of what he/she wants to achieve and how the process would be developed further. Besides the target customer and target audiences of the business plan should be carefully identified. Therefore, the most crucial part in the preparation of a business plan is to ask the right questions and to answer them as precisely as possible; by this way, the business idea would be critically examined, the business opportunity would be accurately gauged and the business operating environment (both internal and external) would be better understood. Those questions should covers all the related dimension of a business including business environment (market and industry), self-assessment of the planning business (SWOT analysis), financial source and target, management structure and proposal.

2.2 Market research

2.2.1 Market research's definition

Market research is the procedure of examining and resolving inquiries of human behaviour in general and, within the context of business research, of customer behaviour in particular (Hamersveld & de Bont 2008, 37). Fundamentally, market researchers utilize descriptive and/or experimental toolkit to portray and explain behaviour, thereafter come up with useful information and recommendations for the important business function of establishing the strategic/tactical business decisions.

According to Hamersveld & de Bont, the use of statistical and analytical tools to systematically collect and elucidate information about individuals or organizations with the aim of achieving comprehension and contributing to decision-making process is market research. The definition of market research given by Hague, Hague & Morgan (2013, 14) is quite similar by the one made by Hamersveld & de Bont, calling market research “the systematic collection, analysis and interpretation of information relevant to marketing decisions”. However, Hague et al. studied market research particularly for marketing purposes and for planning marketing tasks such as evaluating customer satisfaction, assessing the effectiveness of marketing strategies and so on; while Hamersveld & de Bont did their research of market research on a wide scale of generic business purpose and examined every aspects of impact this key function have on large organization.

As clarified above, the definition of market research is quite clear and simple; that apparently leads to the ultimate goal of offering evidence which will help optimizing the decision making process. Nonetheless, more often than not the practice of this function is highly complicated that requires effective collaboration and integration of the ability to gather and analyse information and the capacity to transform the results into reliable evidences and connect them with the whole picture of the research topic/business so that decision makers could engage with them and use them in optimal ways. Moreover, the plenty of varied information sources available to collect and study makes it even more challenging for researcher to filter and determine the proper information that should be used. That’s why the researcher should be able to recognize the main problem/demand that needs to be uncovered as well as the kind of evidences that could truly support the problem-solving process.

After defining what market research is and introducing its core function and purpose in business, the uses of market research and the roles it play within a company/organization will be studied further and more specifically in the following section.

2.2.2 Uses and role of market research

The following theory section of the uses of market research is studied and synthesized based on the research of two books: “Market Research in Practice: How to Get Greater Insight From Your Market (2nd Edition)” written by Hague, Hague, & Morgan and “Effective Use of Market Research: How to Drive and Focus Better Business Decisions (4th Edition)” written by Robin Birn. Both of these two books emphasized the importance of effectively using market research to help making business decision and to mitigate business risk. However, Birn (2004, 181) studied the topic in a generic extent to which uses of market research in growing business by optimizing decision making and preparing for future is generally discussed; while Hague et al. analysed the uses of market research more detailed by discussing each utilization

of the function that involved in business models, frameworks and operations. The views of both authors will be studied into deeper details as follows.

In terms of business models and frameworks, Hague et al. (2013, 4) mentioned several classical paradigms of marketing, including Ansoff's products' and markets' matrix (Table 1), Levitt's life cycle of products (Figure 3) and the Four Ps of marketing (Figure 4), in which market research plays an essential role.

	<i>Market Research can</i>	
New prod- ucts/services	Indicate the possibility of acceptance of new products/services.	Acquire knowledge of untried markets and identify unmet demands.
Existing prod- ucts/services	Assess customer satisfaction and loyalty to figure out the way of retaining them.	Uncover new markets for products/service.
	Existing Market	New Markets

Table 1. Ansoff and market research

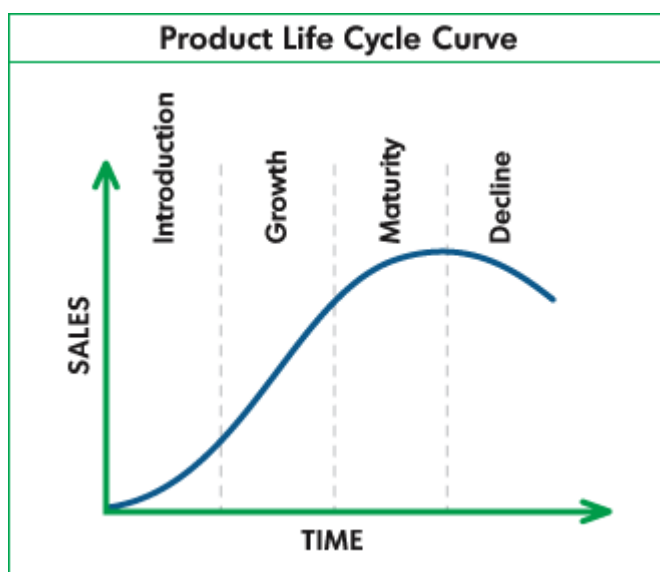


Figure 3. Levitt's product/service life cycle (spencer 2009)

In combination of both Ansoff's and Levitt's theories, market research is vital in different phases of product's life cycle in terms of dealing with new/existing markets and marketing for new/existing products/services. In the youth stage of the product/service life cycle, market research uncovers and measures the unmet demands for the new products; thereafter the uses of market research aids the segmentation shaping of the products as well as the prices setting process. Consequently, during the pre-mature and maturity stages, market research assesses the customer satisfaction and loyalty so that companies can find out how to build a strong competitive edge and brand. When it comes to the post-mature i.e. old age stage, it is necessary to revitalize the product, perhaps by upgrading new design/features or discovering new territories for it to conquer.

The Four-Ps-marketing pillars (product, price, place and promotion) are also essentially underpinned by the uses of market research as follows:

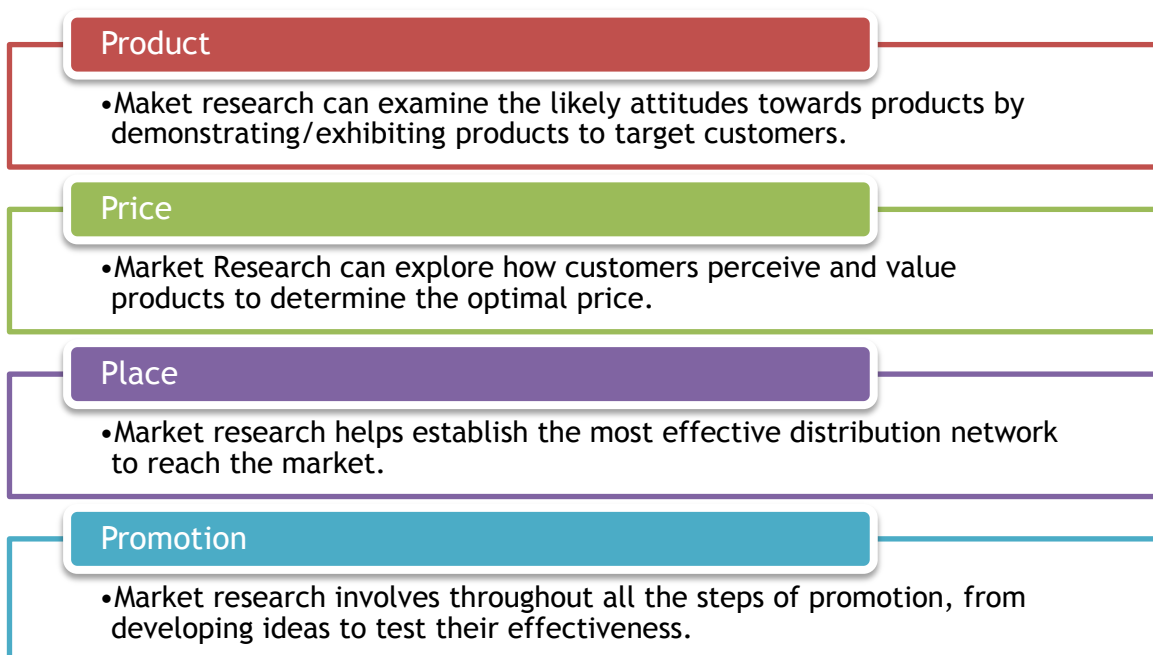


Figure 4. Four Ps of Marketing

Reviewing all of the above classical marketing theories, Hague et al. (2013, 24) concluded that market research is an important component in all kind of business decision making process, especially in market assessment, voice-of-the-customer research, new product research and communications and brand research.

Birn shared the similar perception of how crucial market research is to optimize the business decisions, gain/maintain the competitive edge and reduce the risks. In Birn's research, gen-

eral discussion was made to highlight those functions in the route to grow a business, reinforce management capability and continuously make improvement in all aspects of the business.

All of the above has been proved the substantive part of market research in the business operation and strategy, nonetheless there is still a vital role have not been mentioned yet: the internal function of market research within a company. According to Callingham (2004, 42), market research is deeply involved in the provision of internal knowledge and alignment of an organization. Indeed, the results of market research should have create a coherent view of all the tasks need to be done, the responsibility need to be shouldered and the ultimate goals that people inside the organization all target at. Therefore, market research contributes indirectly to the organization's climate and daily life; thereby it influences the thinking way and the decision (at all size) reached by the organization.

In conclusion, although market research is not the only component that determines business performance and leads to success, it is necessarily used in a wide range of business functions and thus plays a powerful role in the whole business. Callingham (2004, 43) referred market research's role in a company as that of the oil of an engine, both enable the entire machine/framework to operate well and smoothly.

2.2.3 Market research process

As suggested in the definition section, market research is "the systematic collection, analysis and interpretation of information", thus it requires standardized research process in order to achieve the most appropriate results. Hague et al. (2013, 11) mapped out the market research process as follows:

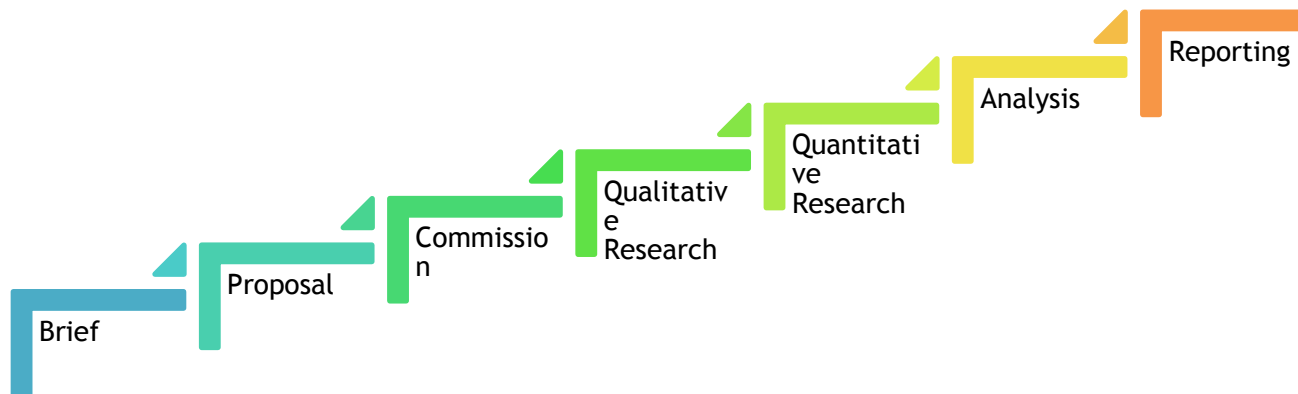


Figure 5. Market research process by Hague et al.

The initial stage of any market research project is to prepare a brief, which provides background to the opportunity or the issue and accounts what kind of information needed to assemble for the decision-making. The better defined this brief is, the easier the result is to achieve. Next, a research design or proposal is required that covers the use of research methods and the identification of studying objectives to answer how all the needed data and information will be attained. The detailed time frame of the project as well as the needed resources should be planned at the next phase of commission. Consequently, the questionnaire, interview or any else survey methods are conducted to approach customers 'view. All the data then will be aggregated and categorized so that elaborate analysis can be made and interpret those data into meaningful information that could help decision making process. In the last stage of the process, report is made normally consisting of problem definition, empirical data obtained, analysis and recommendations to resolve the problem.

In their book "Market Research Handbook" (2008), Hamersveld & de Bont gave a less formal description of the market research process, indicated by the following figure:

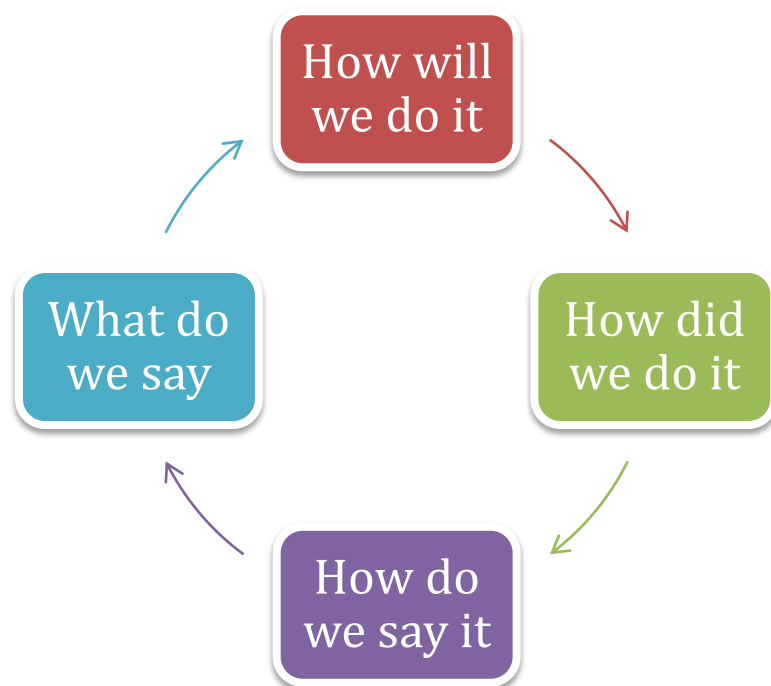


Figure 6. Market research process by Hamersveld & de Bont

According to Hamersveld & de Bont (2008, 103), the market research process should indicate the continuous flow of research activities that all focus on the consensus as the target customer. This is a simple, but effective way to identify the fundamental marketing objectives through cyclical research process. The four questions involved are the most important ones that need to be addressed. By answering those questions, the market research function offers a widespread range of sub-processes that will combine together to form the entire picture of the ultimate solution at the end of the research project. However, there is no ending point showed in this cycle, which means continuous R&D, and improvement should be kept pursuit. To conclude, the research process may be planned towards different forms, from traditional rigidly-look to simplified, customer-oriented process. Each has its own advantages and challenges, also significantly depend on the research environment and circumstances. In general, it is important to set a transparent goal/objective, to interact effectively with involving individuals/entities and to tackle the unexpectedly raised difficulties surrounding the research project.

2.3 Canvas business model

2.3.1 What is Canvas business model?

A common definition of a general business model is “to describe the rationale of how an organization create, deliver and capture value” (Osterwalder & Pigneur 2010, 14).

Nowadays, in the topic of business model generation, Canvas Business Model was represented and implemented widely, particularly in the circumstances when enterprise needs to manage new changes or challenges new orthodoxies of the existing market and industry. The Canvas Model refers to a modern, innovative tool which helps the managers describe and design the activities for business flow in visual and modern-thinking way. Canvas Business Model also allows the supervisors concentrate on strategic management and marketing plan (Business Canvas Model 2013). Moreover, the further purpose of the business model is to create a platform which is simple, compatible and easily understandable the most to keep people focus on the details (Osterwalder & Pigneur 2010, 15).

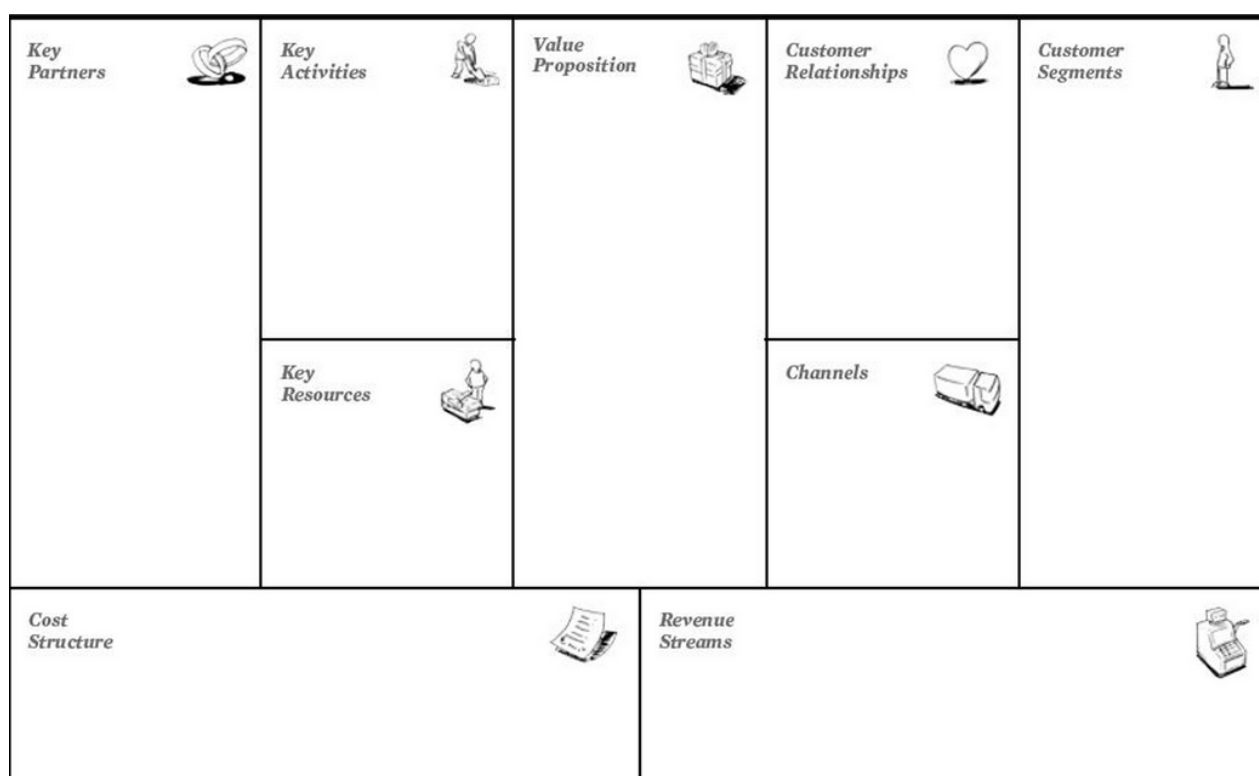


Figure 7. Canvas Business Model template

As can be seen from above, there are nine 'building blocks' of a template Canvas business model, including:

- Key partner: another firms or entities that the company can work with.
- Key activities: define what kind of activities plays the most important role in the business operation, customer relationship, and so on.
- Key resources: what kind of material or resources the company requires
- Value proposition: how the company satisfies customers' needs and what value the product or service brings to the customer.
- Customer relationship: how the company keeps in touch with their customer, and what kind of contact activities which users need the company to build.

- Channels: what kind of platforms the organization uses to promote the product or service.
- Customer segments: as known as targeted customer.
- Cost structure: how the money being spent for business activities.
- Revenue stream: adjust the price for service or product; how every separate income contributes to the overall revenue.

2.3.2 Why Canvas business model?

According to Timothy, Osterwalder & Pigneur (2012, 26), every organization has its own business model to clarify the logic by which the organization's financial performance and enterprise meanings be sustained, applied for all different kinds of organization such as non-profit, -profit, government and otherwise. Both of the enterprise and financial meaning can be generated and sustained only when the organization can serve and satisfy certain customer by creating and delivering values to customers. Therefore, to establish an optimal business model, the entrepreneur needs to answer two most important questions: "Who is the Customer" and "What job does the Customer need to have done" (Timothy et al. 2012, 27). These two questions are fundamental keystone in the concept of Canvas business model and the model's main purpose is to help organization to define and design such a business and operation framework to assure the answers for those two vital questions are address and applied properly and adaptably over the market's continuous changes.

As Canvas's creators, Osterwalder & Pigneur, defined the model as "a shared language for describing, visualizing, assessing, and changing business models", using Canvas thus makes all the business plan processes that need to be conducted in team, amongst partners and be consulted with experts become significantly easy and convenient. The model consists of well-divided business elements, presented by visualized objects and steps; therefore it serves very well the purpose of clarifying and simplifying the complex business ideas or frameworks. With its logical and designated nature, the Canvas model is a fit and proper tool to use not only in building a business mechanism but also in engaging people to participate and attracting investors and raising investor confidence towards the presenting business model. Therefore, there are compelling reasons for people with innovative, conceivable business ideas to build and share their business model by using the Canvas.

2.3.3 How to use the Canvas?

When it comes to make the best of the Canvas model, Osterwalder & Pigneur (2010, 50) provides plenty of examples that the Canvas was used and hence brought significant values to organizations applied it throughout the world. There is non-profit institute uses Canvas to

design their new non-profit program, thus align members and investors during the formation. The model shows all project members in a visual way the comprehensive picture, their important roles in it and the interdependencies. By using the Canvas and its flexible nature take into consideration all the objectives and values need to deliver, the institute successfully brings clarity to the true Value Proposition of the business and how to sustain it over times. There are many other businessman have claimed that the Business Model Canvas had enabled them to collaborate with their colleagues much more easily by using the model as a common language and framework.

Another example is professor using Business Model Canvas to teach fledgling entrepreneurs across varied industries a better way to interpret and transform their business ideas into plans and then into practical business processes. The Canvas reminds them to think holistically about their business without being caught in trivial trifles. The Canvas model can also be used as a testing tool for new enterprises to make reality check on their new startup ideas, to easily examine how their business operation could make financial sense and thereafter assure their confidence in the future success or make any needed modification promptly.

All in all, the Canvas has strong capability to help drive business model innovation in all business and industry sectors. Every leadership forces and business idea owners can make the best out of their new, innovative business ideation or transformation by effectively use the Canvas in describing, visualizing, screening and testing the viability of their conceiving business plan; hence they are able to challenge the current market/business organizing frameworks and achieve the benefits of successful innovation.

3 Implementation plan

3.1 Vision and objectives

3.1.1 Vision

With the ultimate purpose of delivering a best quality of services that the customers deserve to enjoy, company X provide long-distance bus with excellent customer service and innovative online booking experiences. The whole service process, from the beginning of making ticket purchase decision to the end of arriving at the destination and checking-out from our bus, is monitored by modern technology of ICT system and thus able to give best customer cares days and nights. Company X promises to create extra value for customers by running fast, secure transportation and smart, convenient IT monitoring system.

3.1.2 Objectives

Profitability: In order to make good profit, we aim to have the profit margin bigger than 10% and the gross margin percentage of more than 40% (obviously positive). In addition, to have good liquidity meaning to have enough cash available to run the business, even in case of risk, we target a current ratio higher than 2 and an equity ratio larger than 40% which also help to remain a healthy financial structure. Last but not least, net debt to equity (gearing) should be kept under 100% to avoid over borrowing loans.

Market share: Because the market demand is estimated to continuously increase in the coming years, we set a long-term objective to win the market dominance in long-distance bus industry in Ho Chi Minh City and the neighbour areas. Specifically, we aim at achieving a steady growth of market share, e.g. at least 10% at the initial launch of the business and then increase gradually to expand.

Create and deliver added-value to customer: Our company targets to become an easy-going and friendly yet professional service provider. We are enjoyable and comfortable to do business with, and our main goal is not to fulfil but to surpass customer expectation of a transportation service by creating and delivering extraordinary quality of business operation and services.

Sustainability: Beside excellent performance, organization's good health and long-term development are also considered essential objectives of our company. Therefore, we pursue sustainable development strategy and long-term growth, targeting at maintaining a stable position in the market. To do so, sustainability, especially in the context of environmentally friendliness and fuel efficiency, should always be taken into consideration in every decision-making process and operation strategy of our company.

Sociable contribution: We believe that in addition to establishing an excellent entrepreneurship, our company will create a high number of job opportunities, actively contribute to tax authority, as well as dedicate to social responsibility.

3.2 Service description

Our company is a long-distance bus company that is specialized in the facilitation and extra services of travel between main cities/provinces in the Southern of Vietnam for Vietnamese travellers and foreign tourist. In order to reach potential customers, our company cooperates with both online ticket agencies and traditional ticket intermediaries. By using online tools in our website, customers will be able to find their suitable tickets, compare the prices and reach the comment/rating given by our previous customers. Thereafter, customers have an easy, helpful and comfortable method to search for and purchase their tickets.

The main purpose of our company is to create and deliver excellent service and value-added to customer. Customers' feedback and recommendation will always be listened and absorbed to continuously improve the service quality. Along with the outstanding service, our cost efficient operating strategy enables the company to offer reasonable, competitive price to customers, especially attractive promotions to certain types of customer, such as students, retired, and disabled... All in all, the innovative concept of extra service offered will help us stand out from our competitors and achieve our desirable market share.

3.3 Market research of the company X

3.3.1 Competitors background

There are five main competitors who are sharing biggest share of the market from 11% to 13% (VeXeRe 2015) including Phuong Trang (FuTa Buslines), Hoang Long, TheSinh Tourist, Thuan Tien, and Thanh Bui.

In the biggest online ticket agency system VeXeRe, Thanh Bui gets the highest ranking with 3.7/5.0 on the basis of customer satisfaction, reflecting on three main criteria: vehicle's quality, punctuality, and customer service. The second highest ranking belongs to Thuan Tien with 3.4/5.0. Phuong Trang and Hoang Long are equally ranked at 3.2/5.0 and the lowest ranked is TheSinh Tourist at 3.1/5.0. Specifically, among the three criteria, vehicle's quality achieves the most positive ranking feedbacks (average 3.54/5.0), while customer service often receives the least customer satisfaction (average 3.2/5.0). During studying customer complaints published on VeXeRe, it is revealed that the most popular concern is in the field of customer service, for examples: impolite staffs, lack of information service, poor on-bus services.

3.3.2 Distributors

In establishing our distribution network, a number of distribution channels are taken into consideration, including online channels (VeXeRe), own company's website, telephone service, intermediate agency, social media network, and especially Vietnam online commercial websites (e.g. vatgia, muachung, 5giay...).

In recent years, along with the blooming of the Internet in Vietnam, customer buying behaviour has significantly transformed to highly adapt with online booking and purchasing of all kinds of products and services. Therefore, our strategic distribution channels will be focus on Internet-based tools in order to minimize the operating cost and take advantage of rapidly raising netizen community in Vietnam.

3.4 Analysis of consumer market research data

3.4.1 Consumer market research technique and tools

With the purpose of evaluating the feasibility of company X's business idea which means to deliver higher quality, innovative services to the existing market, a survey questionnaire was conducted to collect consumer feedback and thus assess the degree to which company X's new services would be accepted. In a word, the major research problem was identified as - is there a market for new long-distance bus services in Vietnam? As the business idea has been well defined from the beginning of the thesis process, the research objective was established with ease.

A quantitative research method was adopted using Google Survey Form and Google Analysing Data tool. These survey tools are online-based and really free, convenient to use for the data gathering and analysing purpose in the consumer market research process. As company X's

main target customers are young adults, students and Internet-users, the survey was sent to mainly students and young adult (18-26 years old) to focus the target group more precisely. Initially aiming at 150 responses, the survey link was sent to 150 people over the Internet who is currently living in Vietnam and interested in a new, upgrading line of long-distance transportation services. However not all of them responded and the number of responses eventually received was 129.

There was an attempt to diversify the kinds of questions included in the survey questionnaire. The survey starts with categorization questions: gender, age, career status, hometown, and most importantly, frequency of using long-distance bus services. Throughout those initiatively categorizing questions, the profile/persona of a potential customer could be constructed. Subsequently, the survey proceeded to questions related to respondent's buying behaviour, personal demands and preferences in terms of attached services as well as satisfaction scores. Open question "Any extra services that you would like to be served?" was also posed so that respondents could present their ideas of the desirable services that should be taken into consideration. The answers to that question indeed bring informative and useful result for the marketing strategy and service design stages.

Mainly social media channels were utilized to distribute the survey, including Facebook (both researcher's personal pages and several public community pages), Twitter, and LinkedIn. That method helped collect approximately 78 answers, just a half of the target number of responses from the beginning. Thus, large number of emails was sent to with a link to the survey attached (the email addresses of respondents were mainly resembles from LinkedIn and researcher's personal contact lists). The rest of the results came relatively quickly, within a week, since relatives and friends were contacted to help fill in the survey as a personal favour.

Eventually there were 129 people participated in the survey; thanks to Google Analysing Data tool, all the responses were automatically not only entered into Google Excel Sheet but also demonstrated by pie and bar charts. Such convenience saves the researcher a large amount of time and effort in sorting, summarising and analysing the responses. The charts and data will be presented in the following section.

3.4.2 Presenting survey results

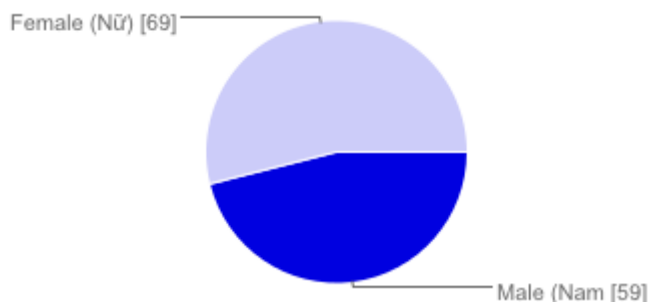


Chart 1. Gender

Female respondents are outnumbered male respondents with the answer sum of 52% and 45%, respectively. However this is not a large difference and thus no inference could be made based on that result.

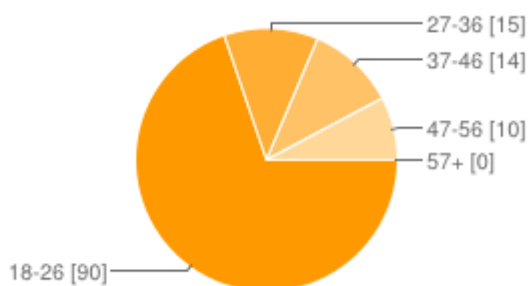


Chart 2. Age

The age distribution of the respondents well matches the expectation of the research with the majority - 68% of answers come from young adults at the age of 18-26. The mature adult group (27-36) accounts for 11% and the middle-aged groups, which combined the aged of 37-46 and 47-56, occupy 19% of the respondents.

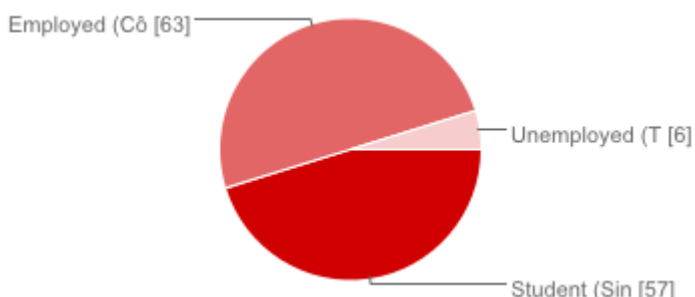


Chart 3. Career Status

In terms of the career status, the most dominant group is employed people with the answer sum of 48% and the second largest is student accounting for 43% of responses. Only a few respondents (6 over 129 people) are unemployed that is 4.5% of the whole response rate.

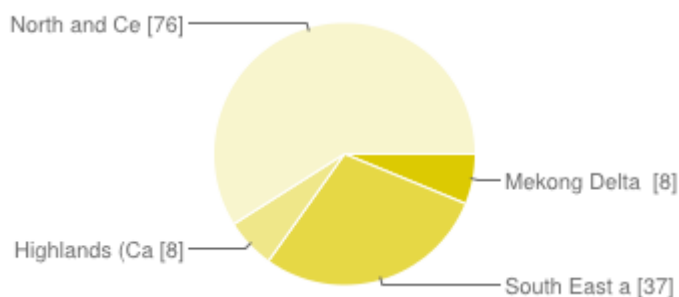


Chart 4. Hometown

Approximately 58% of the respondents are from the North and Central Coast of Vietnam (capital city and surrounding areas). The next largest group is from the South East area (covering Ho Chi Minh City - the biggest city in Vietnam and surrounding areas) at the rate of 28%. The rest of two groups from Mekong Delta and Highlands area of Vietnam share an equal responses rate of 6%. Such result provide useful information for marketing strategy and services distribution of the company X as the larger cities with more interested customer should be given closer attention and stronger investment of marketing effort.

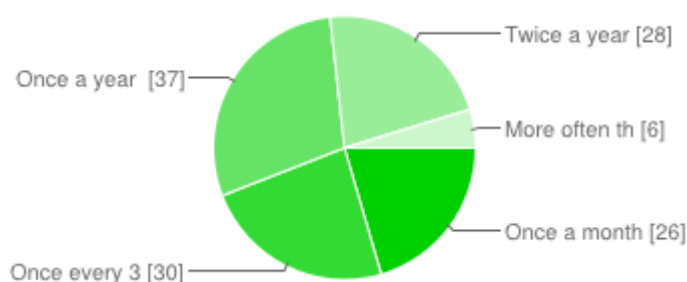


Chart 5. Frequency of service use

With answer rates of 28%, people who use the long-distance bus service once a year (or even less often) form the dominant group. The groups of quarterly users, semi-yearly and monthly users follow with the rate of about 23%, 21% and 20%, respectively. Just a small proportion of respondents have the demand to travel by long-distance bus more often than once a month, at the rate of 4.5% of the whole answers sum.

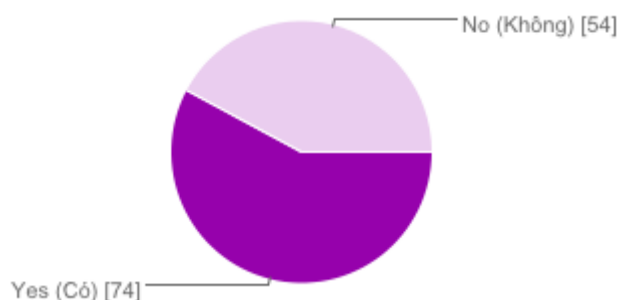


Chart 6. Pre-purchase information search

To understand the consumer's buying behaviour better, people were asked whether they search for information about the bus companies, in terms of service quality, customer service... prior to purchasing the ticket. As the pie chart clearly shows, respondents are more likely to process a pre-purchase information search than not: 56% of respondents answer "Yes" while 41% answer "No". This result suggests that a well-informative website and greater marketing effort are necessary since the major of consumers take into consideration the step of pre-buying information search.

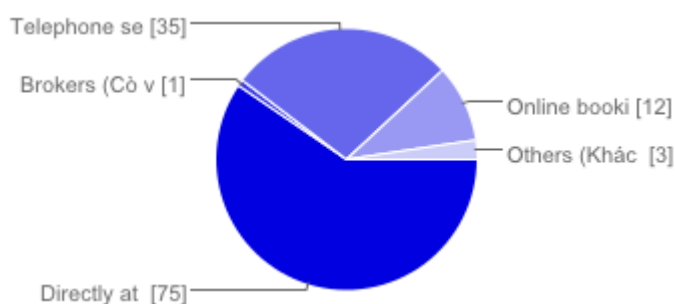


Chart 7. Buying channels

Still in the attempt of studying customer buying behaviour, the questionnaire asks respondents to choose via which channels they normally buy long-distance bus ticket. The most dominant group, which is formed by people who buy their ticket directly at the bus station, occupies 57%, significantly outnumbered the second most common channels of telephone booking with the rate of 27%. Making ticket purchase via online channels accounts for a relatively low percentage of 9% among respondents.

The responses are generally in line with expectation of researchers as direct buying at the station has been the most popular buying channel while online booking is still relatively unfamiliar to the consumers. However, as the Internet users has been greatly and continuously increased all over the country, online purchases and booking is expected to become much more thriving in the near future; thus the demand for online booking channels and supporting tools (e.g. online agents, price comparing sites...) would accordingly be highly in demand.

There are a number of factors that possibly influence customer's buying decisions, thus respondents were asked to rank how important those factors are to them. The degree of importance to which influential factors including price, customer service quality, punctuality, vehicle's quality, cleanliness and company's reputation are perceived by consumers:

	Very unimportant	Unimportant	Neutral	Important	Very Important
Price	12	8	21	42	31
Customer Service	15	4	10	50	40
Punctuality	17	1	15	36	52
Vehicle's Quality	17	3	10	27	66
Cleanliness	16	3	7	41	54
Company's Reputation	12	19	29	41	23

Table 2. Importance Degree of factors

The above data table can be visualized by the following bar chart:

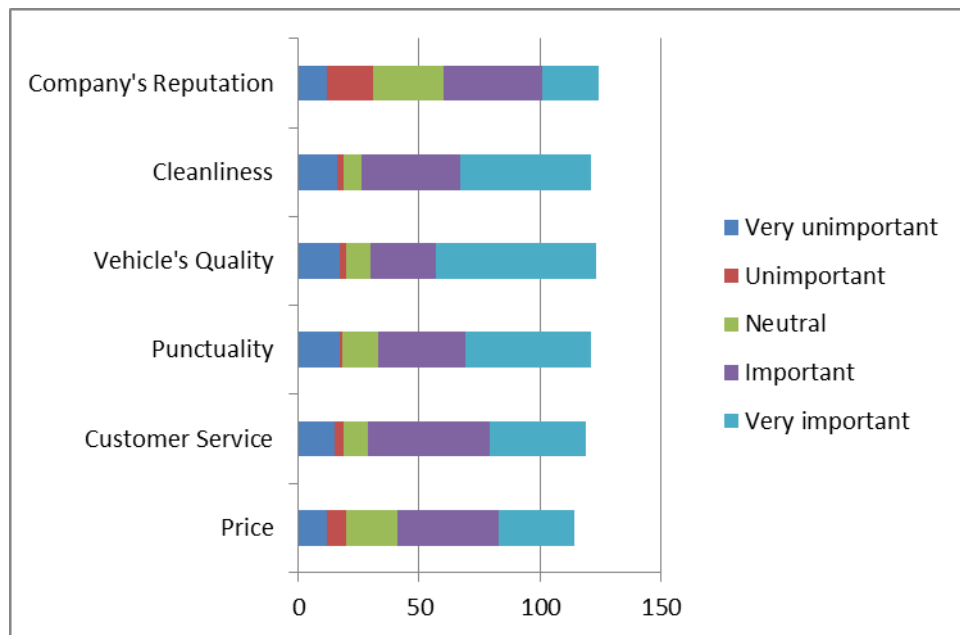


Chart 8. Importance degree of factors

As the data table and chart clearly shown, vehicle's quality is considered very important by a half of respondents and it is the most important among all of the influential factors. Cleanliness and punctuality are similarly ranked very important by consumers, 41% and 39% respectively. Customer service quality is mostly ranked important, with 38% of respondent's votes. Price and company's reputation are commonly considered important, by 32% and 31% of respondents, respectively. Throughout these findings, it can be inferred that in customer's perspective, the order of importance of influential factors to their buying decisions is vehicle's

quality, cleanliness, punctuality, customer services quality, price and company's reputation. Such information is useful for the consequent stage of marketing strategy and services supply.

The next survey question asked consumers to score how satisfied they are with each existing services/facilities included in the long-distance bus trips that they have experienced so far. The examining services are free Wi-fi, baggage rack, food and beverage, rest stations, seat/bed comfy and entertaining materials e.g. movie screen, magazines, music, games... served on-bus. The answer sum are indicated in the following data table and bar chart:

	Very unsatisfied	Unsatisfied	Neutral	Satisfied	Very Satisfied
Free Wi-Fi	19	31	36	24	8
Baggage Rack	6	26	68	20	1
Food/Beverage	9	29	65	15	3
Rest Station	7	27	60	21	5
Seat/Bed Comfy	13	15	56	35	7
Entertaining Materials	12	21	71	15	4

Table 3. The degree of customer's satisfaction at main service facilities

Based on the above data table, the following bar chart is drawn to help visualize and assess the findings better:

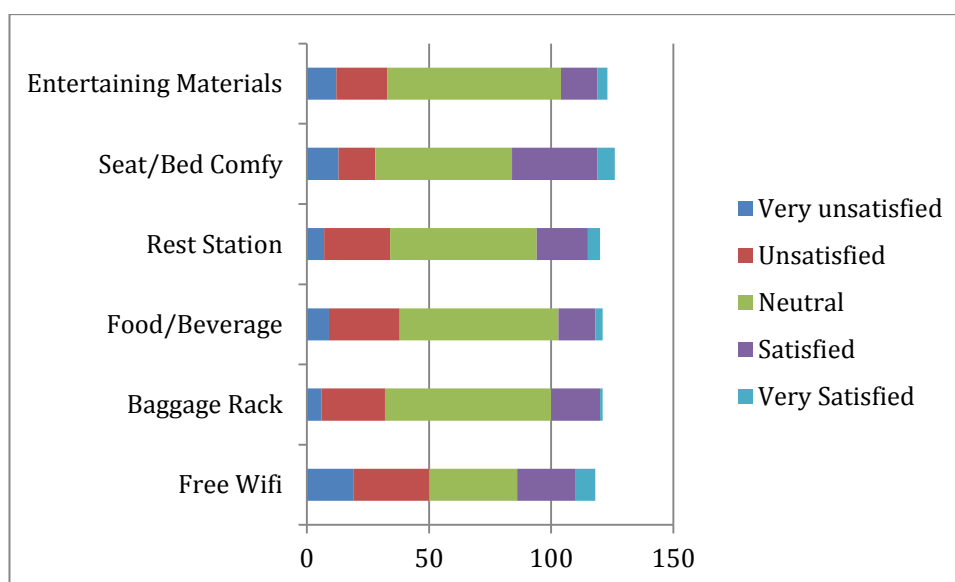


Chart 9. The degree of customer's satisfaction at main service facilities

As can be clearly seen from the chart, respondents largely rank all of the service facilities in question as neutral or satisfying. The factor that receives the most satisfying rate is seat/bed comfy with 26.5% of respondents ticking the satisfied option. The satisfying experience of

Free Wi-Fi is the most diversified among all the factors: 14% at very unsatisfied rates, 23.5% at unsatisfied, 27% at neutral, 18% at satisfied and 6% at very unsatisfied. The baggage rack, rest station and entertaining materials get slightly higher votes of unsatisfied and very unsatisfied than of the opposite opinion. The supply of food and beverage on-bus is scored considerably more unsatisfied than satisfied: 29% of responses are (very) unsatisfied while only 14% of responses are (very) satisfied. The findings of this question signal a mostly barely-enough quality of services and service facilities offered to consumers and it can be agreed that there is still many rooms for improvements because in nowadays boisterous and competitive service industry, customers always expect to be satisfied or higher than that, rather than only neutral or even worse, very unsatisfied to satisfied.

In the previous question, separate services facilities were scored in terms of customer satisfaction, the following question asks respondents to give an overall satisfaction score based on own travel experiences. The answer sum is visualized by a bar chart as follows:

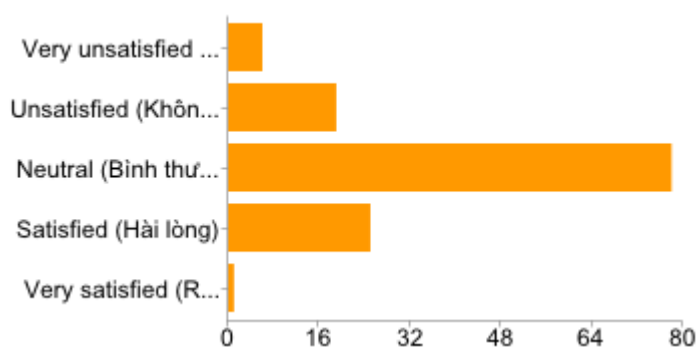


Chart 10. Overall satisfaction score

As can be expected after previous question, the most dominant overall satisfaction score is Neutral, at the rate of 59%. While the percentage of satisfied score is slightly higher than that of unsatisfied core, 19% and 14.4% respectively, yet the rate of very unsatisfied is higher than the rate of very satisfied score, 4.5% and 1% respectively. This finding is in collaboration with the finding of the previous question and thus fortifies the suggestion that long-distance bus service could be improved much further, both overall experiences and discrete services factor/facilities included.

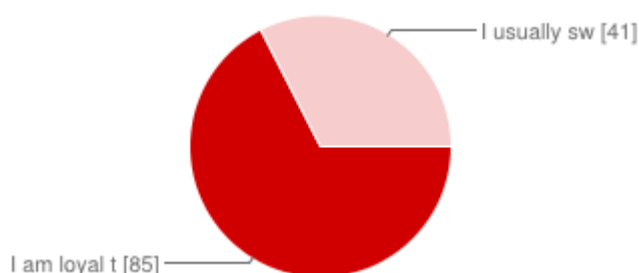


Chart 11. Customer loyalty

In the next question, consumers are asked whether they are loyal to a certain brand of Bus Company or they are more likely to switch between different brands. The responses of loyalty is clearly dominant those of switching preference. This result helps the researchers to understand more about Vietnamese consumer behaviour. 64% of consumers are loyal to a provider of long-distance bus service while only 31% (less than a half of loyalty percentage) of customers choose to switch between different brands. Such result points out that consumer in this market seem to be conservative and thus they may be reluctant to experience and accept new services launched to the existing market.

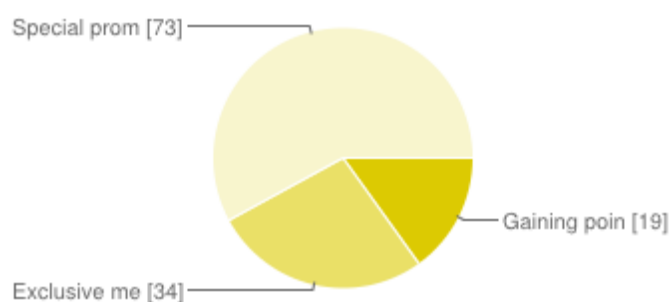


Chart 12. Incentives for customer loyalty

With the aim of finding out what could effectively motivate customer loyalty, the question survey asks customers to choose their most favourite reward among three common rewarding prizes. The largest proportion of incentives valued by respondents is special promotion price with the choosing rate of 55%. Exclusive memberships' benefit accounts for approximately 26% of responses and the least favourable is gaining points to exchange gifts with the choosing rate of only 14%. Company X can refer to this result to design an effective promotion programme that strongly encourage and retain customer loyalty.

4 Marketing strategy

4.1 Operating environment of long-distance bus in Vietnam (PEST)

4.1.1 Political

Vietnam has been maintained stable political system and regime over the recent decades. This brings comfortable conditions for entrepreneurs to establish and operate their own companies. After joining the World Trade Organization (WTO) in 2007, the Vietnamese Government has conducted a number of policies to encourage private entrepreneurs and attract foreign investments, towards the whole economy in general. Among those policies, some have positive influence on transportation industry in particular. For example, in 2009, the authority announced the strategic plan of the network of transport roads to finish implementation in 2020 (Development orientation 2015). Furthermore, the practice of imposing tolls on motorways has been improved year by year (Laodong 2011).

However, there are also some disadvantages raised by the local authority, e.g. police's corruption, bureaucracy, high tax rate, and complex paperwork... Therefore, the transportation industry is an emerging business area with high potential but entrepreneurs need to have thorough knowledge of local system and legal issues.

4.1.2 Economic

Currently, Vietnam is among the fastest growing economies in the world. Vietnam's Gross Domestic Product (GDP) grows annually by 5 to 5.5 percent over the past three years and be estimated to strengthen to 6 percent growth by 2017 (The World Bank, GEP 2015). Vietnam is pursuing its way to escape the lower-middle income group in the near of future and thus join the medium-high income group of nations (Rousseau 2011). One of the most important factors contributing to that impressive growing potential is strongly enhance of the services factor. According to The World DataBank, out of Vietnam's 155.82 billion dollars of GDP in 2012, the services sector accounted for 40 - 41 percent. The transportation business is one of the most rapidly growing service industries.

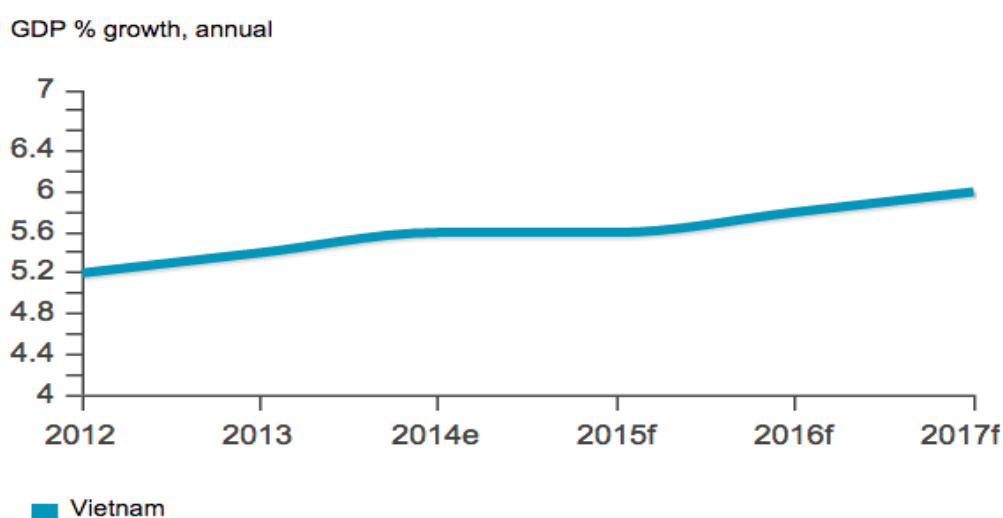


Figure 8. Vietnam's current and prospect GDP growth

According to Vietnamese General Statistics Office, the number of passengers transported in Ho Chi Minh City occupied 488.3 million people out of 615.1 million people totally in South East area of Vietnam in 2010. This number gradually has kept increasing year by year, and reached 662.2 million people out of 811 million people in 2012, which means a rise of approximately 36 percentages (gso.gov.vn 2015). Recently, passenger transported in the first two months of 2015 reached 539.8 million, up 5.4% compared to the same period in 2014. In particular, local road passenger transported was estimated at 509.5 million people, up 6.7% compared to the same time last year (gso.gov.vn 2015).

4.1.3 Social

Based on the statistics of Indexmundi, the present population of Vietnam is slightly over 93 million, out of which around 55% is in the labour age (20 - 54). Such a very young population, on one hand, provides resourceful human capital and cheap labour cost, on the other hand,

raises the number of social issues, such as pollution, overwhelmed infrastructure and high rate of traffic accidents.

In 2014, the number of traffic accident cases was 25,322 and the numbers of death and injured people were 8996 and 6265 respectively. On average, Vietnam has 69 daily cases of traffic accident resulting in 25 deaths and 17 injured (General Statistics Office of Vietnam 2014). This social issue generates serious concern about traffic and transportation system, thus put high pressure on the operating discipline of transportation industry.

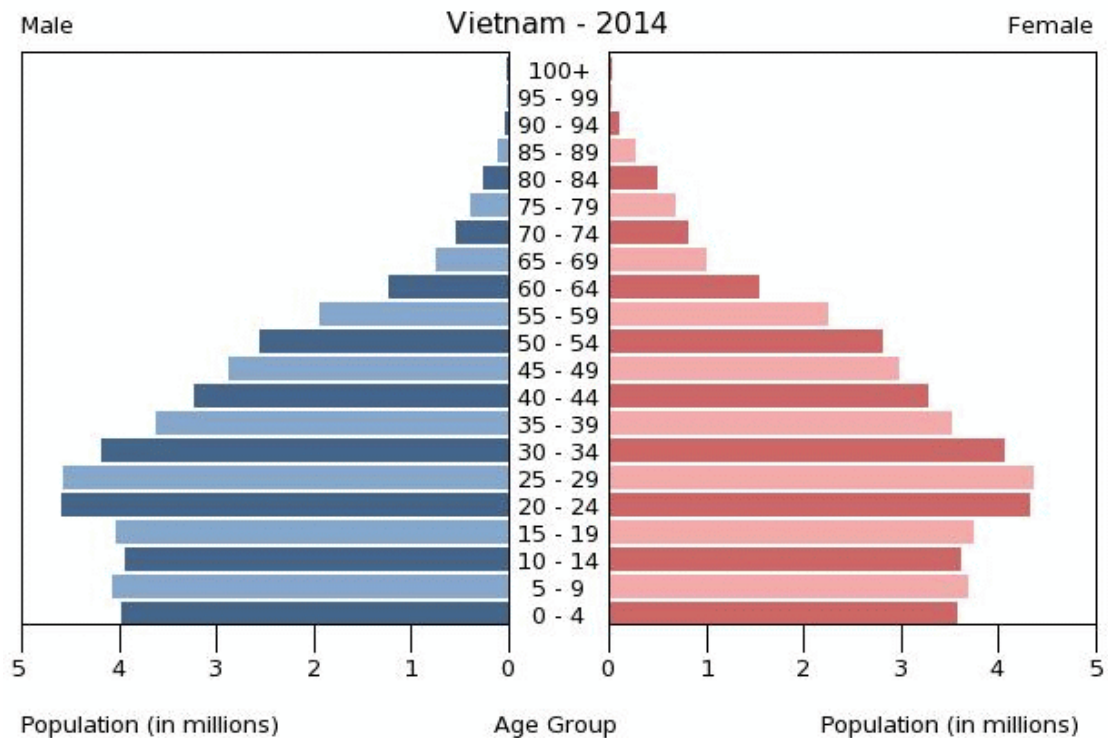


Figure 9. Vietnam's population pyramid in 2014

4.1.4 Technology

In recent years, Vietnam has recognized the importance of the technology industry in general and of the information and communication technology (ICT) industry in particular. Therefore, the country has been focusing on developing the infrastructure and facility to grow sustainably in this area. Vietnam is now not only one of the fastest growing technology export market in Asia for America, but also an ideal environment for American companies to invest in high-tech business (International Trade Administration 2007).

Moreover, with the purpose of international integration, Vietnam set strategic development plan to combine technology and industrial growth. Taking advantage of high-added-value, advanced technology and combining environmental friendly methods, for instance renewable energy and natural resources saving are critical points in the process of achieving sustainable technology/industrial development (Ministry of Industry and Trade Web Portal 2013).

4.2 S.W.O.T analysis

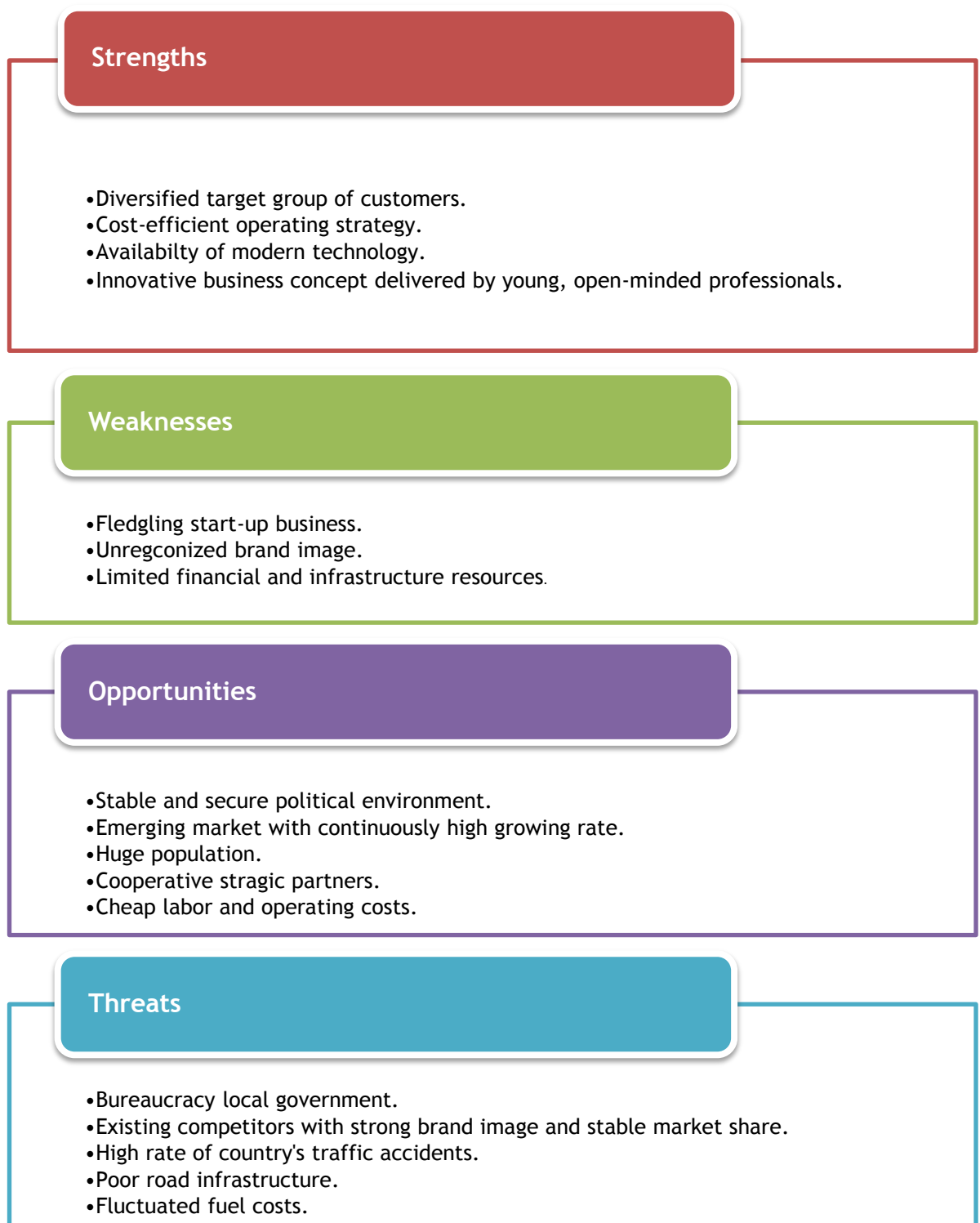


Figure 10. SWOT diagram analysis

As can be seen, the company X takes advantages as the service serve all kind of customers, which means there is no limitation on target groups. Moreover, since the founders are the youth, thus they come up with a lot of innovation business concepts, as well as thinking about

using cost-efficient operating strategy to run the business. The development of modern technology also contributes huge support to collect information and to improve communication with customers to reach the company's goals. Specifically, the company X plan to utilize ICT technology as a friendly way to approach customers.

Besides, the company still faces some difficulties. Even though the service is delivered by young and open-minded people, they are still lack of experience to cope with fully experienced competitors in the market and to predict the risk in reality life. In addition, the lack of financial resources - which plays an important role in running business - also leads to another difficulty. The company X has to build distinctive brand image to differentiate itself from current companies in the market.

There are five opportunity features which are considered under the writers' point of view of choosing Vietnam. First of all, Vietnam has stable and secure political environment, and this could bring comfortable conditions for entrepreneurs to establish and operate their own companies. Huge population is definitely a plus point towards the transportation service. Additionally, Vietnam is seen as emerging market with continuously high growing rate which is presented in section 4.1.2. Last but not least, cheap labour and cooperating cost are also elements attracting foreign and owning companies to decide to choose Vietnam.

Lastly, threats are studied to help company X plan for risk management. Since this kind of service is very popular in Vietnam, so there are a lot of company have built their brand and have got a stable position and market share in this industrial field. The company X has to compete with many strong and potential companies. Even though Vietnam has stable during decades, bureaucracy local government is inevitable. Vietnamese have been fighting to erase this urgent status quo for many years, still, the result is not as expected. As mentioned in section 4.1.3, poor road infrastructure and high rate of country's traffic accidents are main threats which prevent customers to use the service. Finally, weak management of domestic price result in the fluctuated fuel cost particularly during the past few years.

4.3 Canvas business model

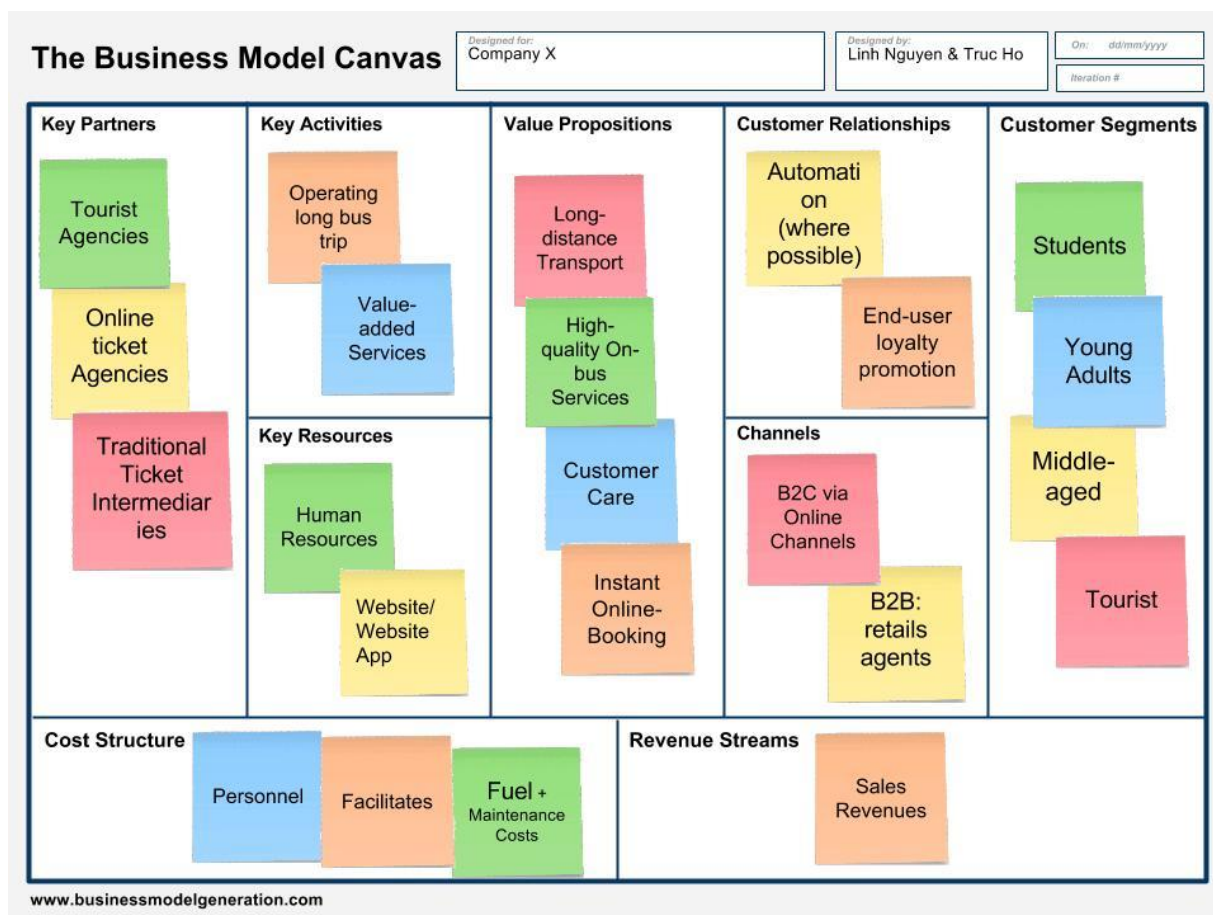


Figure 11. Business Canvas Model for Company X

4.3.1 Customer segment

For company X to have an innovative, modern business model that is fundamentally customer-driven, identifying and understanding the target customer is inevitable. Company X aims at four main customer groups including students, young adults, middle-aged and tourist. Therefore, in company X's marketing strategy, these four target customer groups will be studied using the new technique persona in order to create customization, using segmentation variables such as age, gender, social class, lifestyle, and particularly the geo-demographic bases. According to the market research survey in section 3.4, about 43% of respondents are students, up to 68% are young adults and middle-aged group accounts to 18%. Such statistics reflects a positive signal for company X as its targeted customer segments occupy a significant proposition of the existing consumer market. In practice marketing effort, company X will consequently figure out the distinct needs and demands of each customer segment, thus tailor the services offered to fit those needs (customization).

4.3.2 Customer relationship

After being adept at consumer demands and tastes, customer relationship needs to be created, developed and managed to maintain. There are two key elements in company X's customer relationship tactics: automation (anywhere possible) and end-user loyalty promotion. The nature of company X's business model requires a cost-efficiency operating framework so that the company can offer high-quality services at affordable prices, even for narrow-pocket customer segment e.g. students. Therefore, automation including online-booking, mobile app for trip tracking and on-board check in, and helpdesk automation will be applied to help cut the prices of staff and physical selling venues while still communicate and interact with customer efficiently.

When it comes to end-user loyalty, the statistic in section 3.4 indicates that up 31% of responded customers usually switch between service brands and 64% of them are loyal to a certain brand of company. That means there is still room for creative solutions/promotion to retain a third of customers and keep them loyal to the company. Highly appreciating the customer loyalty, the market research survey did try to find out in which ways consumers feel encouraged to have loyalty: special promotion price (55% of votes), exclusive membership's benefit (about 26% of votes) and gaining points to exchange gifts (14% of votes). That survey result provides helpful information for company X to design effective customer loyalty promotion and thus build sustainable customer relationship.

4.3.3 Value proposition

Company X's value proposition is its promise of high-quality long-distance transportation services to be delivered at cost- and time-saving buying process to the target customer. The chief reason why customers should choose to use company X's transportation services is that the company understands customer's issues with the currently exiting poor services and offers not only services with upgrading quality but also extra services that could add extra values to customer's travel experiences in customizing ways. Such extra services could bring special benefits to customers in terms of affordable ticket prices, 24/7 customer cares (via online channels), and fast, convenient online purchasing website/mobile app that allows customer to book instantly and avoid any queuing or disappointment caused by extreme-rush occasions. (Tet holiday is a prime example when tickets are sold-out within few hours and people have to queue in line for usually 8 hours but still not always be able to buy the ticket needed).

4.3.4 Channels

The efficiency of channels of distribution measures the degree to which Company X's offering services can easily and effectively reach the target customer. Company X's strategic channels consist of two aspects: B2C via online channels and B2B via retail agents. As discussed in the

above sections, online channels including the company's website and mobile application are very important to deliver value-added services to customers. Furthermore, via online channels, customer's awareness and loyalty to the services would be more created and managed more easily. Strategically, this first channel approach of online interaction with customer would raise the market shares and brand power of company X, therefore would give an impulse to retail agencies e.g. tourist agents to distribute company X's bus ticket without any high costs of advertisings or commission fees paid by the company X.

4.3.5 Key resources

For company X to deliver its promised values and benefits to customer, not only a number of key resources but also a competent management of resources allocation are strongly required. The most important resources required are human resource and technology/ICT infrastructure resources. The business model and operating framework of company X is innovative and supposedly disruptive to target market segmentation in Vietnam. Thus there would be significant potential for company X to success, however in such a fast-growing, highly competitive market, good business model and innovative plan are not sufficient to success.

To make the business outstand and achieve market shares from existing competitors, excellent employees with creative minds and dynamic, professional work attitude are substantially needed. Through general research, the Vietnamese companies in general and the competitors of company X in specific are not familiar with offering internship and job placements to students and thesis workers. Company X, on the other hand, believes that students and thesis workers could be a powerful labour force and valuable assets to the company because of their young enthusiasm and creative, receptive mind-set. In addition, since students and young adults are important target customers of company X's business, the young interns would help the company understand the target consumer better; thus improve company's method to approach and serve this customer segment. Therefore, by hiring students and thesis workers, both offering them both part-time and full-time intern positions, company X would benefit from the low-cost, well-educated, energetic, and enthusiastic human resources from universities and colleges in Vietnam. The founders of company X would establish close relationship with university and co-operates in building the intern platform and graduate programs to assist students in their initial stages of professional career.

Besides, to facilitate customer's online buying process, an up-to-date, sufficient ICT infrastructure is required so that the company's website and mobile apps would be able to perform smoothly; customer database would be stored and managed soundly for future uses of market research and customization; and especially bus schedules and journey details would be effectively monitored.

4.3.6 Key activities

Company X's key activities cover two main areas: operating long bus trip and delivering value-added services. The former requires effective cooperation of cross functions within the company including bus drivers, engineering and maintenance division, ICT management, marketing and sales division. The latter needs excellent performance of marketing and customer cares associated with collaborative external partners such as rest stations, catering provider, Internet-based intermediaries, and so on. According to the market research survey (section 3.4), customer highly appreciate the punctuation, cleanliness and safety of the trip, thus key activities in terms of bus trip operation would be focused to assure a high-level quality of those factors in order to satisfy customers.

When it comes to value-added services, a considerable number of complaints from customer (section 3.4) about current customer services offered both on the bus and in the buying-checking in process indicates a strong demand of better customer services and cares. Hence, the activities of company X in an attempt of listening, understanding and satisfying customer's specific demands play the key role in company X's business framework. An example of this area's activity is to collect instant customer feedback using mobile app and modify/complement service and facilities to adapt to any reasonable demands of customers.

4.3.7 Key partners

In nowadays market, it is essential for company to specialize in its best competency and cooperate with other companies in the forms of partnership, outsourcing, co-invest... to accomplish a wholly business model. In the case of company X, the key partners include online ticket agencies, tourist agencies and traditional ticket intermediaries. To name some of them in details: online channels (VeXeRe, Benxekhach) and especially Vietnam online commercial websites (e.g. vatgia, muachung, 5giay...); Saigon Tour (municipal tourist agency of Ho Chi Minh City) and traditional ticket office at the central bus station (Mien Dong station, Mien Tay station...). By building and managing good partnership with other organizations, company X would be able to benefit from those partner's key resources and to acquire an improved supply chains and distribution network, thus develop the quality and extend of its own services offering.

4.3.8 Cost structure

The costs that company X's business incur can be divided into three main categories: personnel, facilitates, and fuel plus maintenance costs. Even though company X set cost-efficiency

as business's cornerstone, there is still a significant amount of cost that need to spend on vehicle, fuel, maintenance costs, insurance and ICT infrastructure for website and mobile app. Such costs are usually fixed costs which are mostly difficult to alleviate whether sales revenues increases or decreases; thus outsourcing and making partnership with other companies would be a good option to mitigate such considerable expense. For example, using the online database service likes the one offered by Amazon could save much money on ICT infrastructure. While a high level of automation and self-service installed in communications and customer relationship enables company X to considerably save on human resources, the necessary employees need to be properly valued and given incentives by competitive salary.

4.3.9 Revenue stream

The major monetary inflow of company X's business would come from bus ticket sales revenues. Other minor revenue resources could be payment for extra services package or exclusive membership rights, and advertising for complement products/services. For example, once company X's website and mobile app are favoured by the end-users, other complement products/services providers, for examples hand luggage, hostel, restaurants, tour guides, etc. would be interested to advertise their products/services on company X's website. The revenue could also be generated from selling extra service package, for instance: tourist travels by company X's bus trip could need also accommodation and information services of the destination, and from granting exclusive memberships, for example: first-class/gold-card-holding members being dispensed from queuing at check-in, the first to choose seats or being served complementary high quality food/beverage.

5 Limitations of research

Due to limited resources, the narrow size of the consumer research allows the understanding of only a portion of the market and thus cannot provide any comprehensive assessment of the whole market situation and customer behaviour. In the quantitative consumer research stage, the questionnaire were mostly filled in by researcher's own contacts, both personal such as friends, relatives, acquaintances and professional such as colleagues, co-workers, and teachers. Therefore, respondents were mainly from the same geographical area to researchers and that does not provide an overall presentation of the whole country of Vietnam. Furthermore the number of attained survey responses is limited (only 129 in total - lower than the expected number of 150 from the beginning of the research) and the research findings would be more accurate with a larger number of respondents, not to mention the fact that not all of the respondents submit a fully answered questionnaire, actually it is not uncommon that a few questions left unanswered.

The company X's business model is built upon the modern Canvas model, which model of business framework is new-launched and still in the early developing phase though a large number of successful business cases proved its efficiency and intellectual value. This on-developing type of business model is chosen to develop company X's business idea because of the nature of that idea is to innovate and to create highly-added values in practical way which well match the nature of Canvas model. However, the business idea needs to be invested a huge amount time and effort for company X to be capable of successfully implement such innovative model of business. Last but not least, the implementation plan of a business start-up by young and fledgling students is very unfamiliar in Vietnam - a developing country that requires rather complicated business plan to attract financial resources - so that the company X may face real difficulty, especially financial issues.

6 Summary

The thesis topic is about the personal interest towards transportation service, long distance-bus in Vietnam based on the lack of supply daily. The company aims to provide creative innovative service that the customers deserve to be served. The whole service process, from the beginning of making ticket purchase decision to the end of arriving at the destination and checking-out from our bus, is monitored by modern technology of ICT system and thus able to give best customer cares days and nights. Company X promises to create extra value for customers by running fast, secure transportation and smart, convenient IT monitoring system.

The first part of the paper is to examine the theoretical base of business plan, market research and Canvas business model. The writers choose Brian Finch and Edward Blackwell's theory to study and compare. Brian Finch inclines towards the differences of the target viewer to outline the structure and content for the business plan, Edward Blackwell's show the general framework in which the presented information has to direct the reader in a logical pattern. In the next section, market research was defined, in term of definition, uses and roles and the process of it. We have used many sources and books from various writers to have in-depth look and understanding about the importance and role of market research when conducting a business. Lastly, we do the same study for Canvas business model by examining the use and role, how to apply it effectively in discussing and figuring out the ideas as well as details of the business.

Next, the implementation plan for the Company X is tailored and the researchers designed a quantitative survey with 13 questions sent to mainly students and young adult (18-26 years old) to focus the target group more precisely. Initially aiming at 150 responses, the survey link was sent to 150 people over the Internet who is currently living in Vietnam and interested in a new, upgrading line of long-distance transportation services. However not all of them

responded and the number of responses eventually received was 129. Through the survey, we can clearly understand the Vietnamese's buying behaviour and needs.

Last but not least, the macro environment in Vietnam is examined by a detailed marketing strategy, performing a SWOT analysis of the company X, operating environment of long-distance bus service in Vietnam (PEST analysis) and developing the company X's own business model of Canvas type.

7 Suggestion

During the procedure of data collection and analysis, the writers have come up with a number of innovative ideas, which could be developed onto noteworthy suggestions for further improvement to get higher customer's satisfaction.

- Telephone/laptop charger on the bus: due to the on-going development and wide use of technology, everybody has their own mobile phone/laptop to keep in touch with friends or relatives. Therefore, it is convenient to have chargers on the bus to help them not to worry when their equipment is out of battery.
- First aid kit should be ready during the trip in case of occurring any emergency circumstances: as mentioned in section 4.1.3, Vietnam has 69 daily cases of traffic accident resulting in 25 deaths and 17 injured on average. This incident results in people always want the company prepare first aid kit when accident happens.
- More stable Wi-Fi for business customers: this is seen as a must service needed to be improved since the age of smartphone and modern laptop have risen. People need stable wifi to entertain or even to work during the trip. This service will strongly support for businessmen.
- Game equipment for children: almost of children are active, but during long trip the parents need to rest without worrying about them, and also the old need quiet space to sleep. Thus, game maybe one of the best ways to keep the children to sit quietly.

On the other hand, the writers also come up with another idea to make our service to be distinctive compared to other companies in Vietnam currently. In fact, this kind of service serves all kind of customers, however each type of customer segments is inclined different service, therefore, when conduct the service in real life, the service will be tailored to each specific type of customers. For business customer, establishing a stable wifi service is essential, which supports a lot for their business to connect and contact with partners and to manage their business while on trip. For students, we will plan a discount program/ point-gaining to get discount, which is affordable for them to go back hometown. For travellers, we will

prepare tour guide to introduce all the features related to the landmarks during the trip, for instance the history, local people, specialties, festivals, forms of entertainment and so on.

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Appendixes

Appendix 1. Survey questionnaire

1. Gender

- ☐ Male
- ☐ Female

2. Age

- ☐ 18-26
- ☐ 27-36
- ☐ 37-46
- ☐ 47-56
- ☐ 57+

3. What is your career status?

- ☐ Student
- ☐ Employed
- ☐ Unemployed

4. Where is your hometown?

- ☐ Mekong Delta
- ☐ South East area
- ☐ Highlands
- ☐ North and Central Coast

5. Approximately how often do you use long-distance bus service?

- ☐ Once a month
- ☐ Once every 3 months
- ☐ Once a year
- ☐ Twice a year

6. Via which channel do you normally buy bus tickets?

- ☐ Directly at the bus station
- ☐ Brokers
- ☐ Telephone service
- ☐ Online Booking
- ☐ Others (please clarify what it is).....

7. Do you search for information about customer service offered by bus companies before buying ticket?

- ☐ Yes

☐ No

8. Please indicate with a tick how important each factor is when choosing the bus companies:

	Very unimportant	Unimportant	Neutral	Important	Very important
Price					
Customer Service					
Punctuality					
Vehicle's quality					
Cleanliness					
Company's reputation					

9. Please indicate with a tick how satisfied you are with each service so far:

	Very unsatisfied	Unsatisfied	Neutral	Satisfied	Very satisfied
Free Wifi					
Baggage rack					
Food/beverage					
Rest stations					
Seat/bed comfy					
Entertaining service					

10. Overall satisfaction scores based on your previous travel experiences:

Very unsatisfied	Unsatisfied	Neutral	Satisfied	Very satisfied

11. Any extra services what you would like to be served?

12. Are you loyal to a certain brand of bus company or switch between different brands?

- ☐ I am loyal to a certain brand of bus company
☐ I usually switch to other brands

13. Which method do you like to be rewarded for customer loyalty?

- ☐ Gaining points to exchange for gift
☐ Exclusive membership's benefit
☐ Special promotional price